

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

FEDERAL HOUSING FINANCE AGENCY,
AS CONSERVATOR FOR THE FEDERAL
NATIONAL MORTGAGE ASSOCIATION
AND THE FEDERAL HOME LOAN
MORTGAGE CORPORATION,

Plaintiff,

-against-

MORGAN STANLEY, MORGAN STANLEY
& CO., INC., MORGAN STANLEY
MORTGAGE CAPITAL HOLDINGS LLC
d/b/a MORGAN STANLEY MORTGAGE
CAPITAL, INC., MORGAN STANLEY ABS
CAPITAL I, INC., MORGAN STANLEY
CAPITAL I, INC., SAXON CAPITAL, INC.,
SAXON FUNDING MANAGEMENT LLC
f/k/a SAXON FUNDING MANAGEMENT,
INC., SAXON ASSET SECURITIES
COMPANY, CREDIT SUISSE SECURITIES
(USA) LLC f/k/a CREDIT SUISSE FIRST
BOSTON LLC, RBS SECURITIES, INC. d/b/a
RBS GREENWICH CAPITAL and f/k/a,
GREENWICH CAPITAL MARKETS, INC.,
GAIL P. MCDONNELL, HOWARD HUBLER,
CRAIG S. PHILLIPS, ALEXANDER C.
FRANK, DAVID R. WARREN, JOHN E.
WESTERFIELD, STEVEN S. STERN,

Defendants.

11-CV-6739 (PKC) (GWG)

PLAINTIFF'S STATEMENT PURSUANT TO BANKRUPTCY RULE 9027(e)(3)

Plaintiff Federal Housing Finance Agency, as Conservator of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation ("Plaintiff"), by and through its undersigned counsel, without conceding that Rule 9027 of the Federal Rules of Bankruptcy Procedure has any application to this action, files this statement pursuant to Rule

9027(e)(3) out of an abundance of caution in the event the Court deems Rule 9027 to be applicable.

1. Plaintiff admits the allegation in paragraph 29 of the Notice of Removal that none of the claims in the complaint herein is “core” within the meaning of 28 U.S.C. §157(b). Further, Plaintiff does not consent to the entry of final orders or judgment by a bankruptcy judge. *See also, Stern v. Marshall*, 131 S. Ct. 2594 (2011).

2. Plaintiff is not required to admit or deny any other allegation in the Notice of Removal, and nothing herein shall constitute an admission of any other allegation in the Notice of Removal, including, without limitation, the allegation that there is federal bankruptcy jurisdiction over this action pursuant to 28 U.S.C. § 1334. Plaintiff denies that there is federal bankruptcy jurisdiction over this action.

Dated: October 11, 2011

KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP

By: /s/ Marc E. Kasowitz

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